

reflected in advancing prices of their stocks and shares. War would create an augmented demand upon industrial bodies and firms for the equipment and provisioning of the Army and Navy; the materials for military operations would promote the fuller working of factories and manufactories by which they are produced; an impetus would be given to the shipping trade for the transport of troops and munitions ; and the coal trade would be invigorated by the needs of an incessantly active fleet. As labour in certain branches of industry, particularly in those demanding skill, would be extended, wages would tend to rise in money, but their effective value would be counteracted by an increase in the cost of food and necessities of life.

It was the usual traditional consequence of war that higher prices for wheat and lower prices for cotton prevailed, since an extended range of conflict frequently leads to the blockade of wheat-producing States, and thus tends to reduce the supplies in the market, when the principle of supply and demand causes the price to rise; and similar blockades have frequently in the past forcibly excluded markets of consumers of cotton manufactures, and thus by the abstention of demand by those customers have created a decline in price.

It may be remarked that where the system of conscription exists, a further serious derangement of commerce (affecting the nation which adopts it, and also its internal trade, and by community of interests all other nations with which it conducts commercial relations) is occasioned by the withdrawal of skilful, vigorous and experienced workers into the ranks of fruitless and degrading war.

In these circumstances the holders of British securities generally, and of the securities of stable foreign nations, need not be alarmed at the disturbance of prices, whose former level will again be reached. Memories of disaster will fade and perish with impressive speed, and merge into recovered confidence with its embodiment in values; the restorative powers of material Nature seem to spring from a perennial fount; and the depression of securities, temporarily produced by the urgent issues of fresh supplies which war requires, will, in time, be restored to equilibrium with the public demand, M